

# House Daily Reader

**Tuesday, January 18, 2000**

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# State of South Dakota

SEVENTY-FIFTH SESSION  
LEGISLATIVE ASSEMBLY, 2000

400D0332

HOUSE STATE AFFAIRS COMMITTEE

ENGROSSED NO. **HB1029** - 1/14/00

Introduced by: The Committee on Commerce at the request of the Department of Commerce  
and Regulation

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding the regulation of  
2 simulcast racing operations.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 42-7-57 be amended to read as follows:

5 42-7-57. No person ~~shall~~ may hold any racing meeting or collect or disburse any money  
6 under the certificate system without having first obtained and having in full force and effect a  
7 license issued by the commission. Any person who violates the provisions of this section ~~shall~~  
8 ~~be~~ is guilty of a Class 1 misdemeanor.

9 Section 2. That § 42-7-58.1 be amended to read as follows:

10 42-7-58.1. The commission may allow licensees approved by the commission to collect and  
11 disburse money under the certificate system at locations other than where licensed races are  
12 conducted if the satellite locations are more than fifty miles away from any pari-mutuel horse  
13 track or dog track licensed by the commission which is conducting a race meet at that time or  
14 if the pari-mutuel horse or dog track agrees to the operation of such a location within the fifty  
15 mile radius. ~~The licensees shall combine the amount contributed at the satellite location with the~~  
16 ~~contribution contributed at the track and such amount shall be combined with the amount~~

1 ~~withheld by the licensees as provided in §§ 42-7-79 and 42-7-79.1. The state~~ special racing fund  
2 shall receive one and one-half percent of the total amount contributed from the satellite location,  
3 and the special racing revolving fund in the Office of the State Treasurer and the South Dakota-  
4 bred racing fund shall each receive one and one-half percent of the total amount contributed,  
5 with the remaining amount of the contribution withheld at the satellite location to be retained by  
6 the licensees. No other deductions may be made from the amount withheld by the licensee at the  
7 satellite location. Satellite facilities may receive contributions between the hours of 9:00 a.m. and  
8 1:00 a.m.

9 Section 3. That § 42-7-59 be amended to read as follows:

10 42-7-59. The application for a license to hold or conduct a racing meeting or to provide a  
11 simulcast signal to a satellite facility shall be signed under oath and filed with the commission on  
12 or before a day prescribed in this chapter. The application shall state:

13 (1) The full name and address of the applicant. If the applicant for a license is a  
14 corporation, the names of all officers, directors, or stockholders of the corporation  
15 or any of its holding corporations shall be disclosed individually to the commission.

16 The commission may require disclosure of any person or group of persons holding  
17 directly, indirectly, or beneficially an interest of any nature whatsoever in the  
18 corporation or any of its holding corporations, whether financial, administrative,  
19 policy-making, or supervising;

20 (2) The location of its racetrack or other ~~facility~~ facilities and whether ~~it is the racetrack~~  
21 or other facilities are owned or leased. If leased, state the names and addresses of the  
22 lessors;

23 (3) A statement of the assets and liabilities of such applicant;

24 (4) A description of the qualifications and experience of the applicant, if an individual, or  
25 of its officers and directors, if a corporation, in the conduct of racing establishments

1 in the five years preceding the filing of such application;

2 (5) The time, place, and number of days such racing meet is proposed to be conducted  
3 or such satellite facilities are proposed to be in operation;

4 (6) The type of racing to be conducted or simulcast;

5 (7) Such other information as the commission may require.

6 Any expenses incurred by the commission in regard to the investigation of an applicant shall  
7 be paid by the applicant.

8 Section 4. That § 42-7-60 be amended to read as follows:

9 42-7-60. Every person applying for a license under ~~the certificate system~~ §§ 42-7-58 and 42-  
10 7-58.1 shall give bond payable to the State of South Dakota with good security to be approved  
11 by the commission. The bond shall be the amount which the commission determines ~~will~~  
12 ~~adequately~~ is adequate to protect the amount normally due and owing to the ~~state~~ commission  
13 in a ~~regular payment~~ sixty-day period or, in the case of new or altered conditions, based on the  
14 projected revenues.

15 The commission may waive the bond ~~and in.~~ In such event, the amount of taxes and fees due  
16 and owing the state shall be a lien on the license to operate. The lack of timely payment shall be  
17 cause for revocation or suspension of the license to operate.

18 Section 5. That § 42-7-63 be amended to read as follows:

19 42-7-63. The commission may charge a fee for ~~licenses to conduct racing of horses or dogs~~  
20 licensees to collect and disburse money under the certificate system commensurate with the ~~size~~  
21 ~~and attendance of such race meet~~ amount of money which is collected daily, but no charge less  
22 than ten dollars nor in excess of one hundred dollars per day shall be made. The license fees shall  
23 be remitted to the state treasurer and placed in the special racing fund.

24 Section 6. That § 42-7-69 be repealed.

25 ~~42-7-69. The commission may grant one additional day of racing during the race meeting~~

1 ~~period granted to any track, upon application and agreement by any track in which one specific~~  
2 ~~day of any meet shall be set aside, and all profit and all taxes payable to the state or any state~~  
3 ~~agency for such day's operation, less actual operating costs, from such specific day's operations~~  
4 ~~of such track, shall be paid into the state treasury for a scholarship trust fund. Actual operating~~  
5 ~~costs of any track conducting such additional day of racing shall not include constant day to day~~  
6 ~~expenses which would have been incurred had the day of racing not been held. Nondeductible~~  
7 ~~expenses include, but are not limited to, such items as capital expenditures, interest on debts, real~~  
8 ~~estate taxes, annual license fees, donations, bad debts, and such other items of daily or prorated~~  
9 ~~expense as the commission may by rule prescribe.~~

10 Section 7. That § 42-7-70 be repealed.

11 ~~— 42-7-70. The fund described in § 42-7-69 shall be administered by the state board of regents~~  
12 ~~upon such terms and conditions as the board may from time to time prescribe. Moneys in the~~  
13 ~~fund shall be used for scholarships for students who attend state institutions of higher learning~~  
14 ~~supported by the state.~~

15 Section 8. That § 42-7-81 be amended to read as follows:

16 42-7-81. Before any payment is made to a person who has contributed to a pari-mutuel pool,  
17 the licensee shall deduct the odd cents by which the amount payable to such person exceeds a  
18 multiple of ten cents, which shall be known as "breakage." ~~Each~~ The licensee conducting the live  
19 race meet or providing the simulcast signal to the location where the money is collected shall  
20 retain all breakage.

21 Section 9. That § 42-7-82 be amended to read as follows:

22 42-7-82. Claims for any part of a redistribution from a pari-mutuel pool shall be made within  
23 sixty days from the end of the meet at which the race was held or be forever barred. Any sums  
24 so barred shall become the property of the licensee conducting the meet or providing the  
25 simulcast signal to the satellite facility at which the contribution was made.

1    **BILL HISTORY**

2    1/11/00 First read in House and referred to State Affairs. H.J. 17

3    1/14/00 Scheduled for Committee hearing on this date.

4    1/14/00 State Affairs Do Pass Amended, Passed, AYES 13, NAYS 0. H.J. 42